

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2280

LISTED JANUARY 4, 1968
256,800 Common shares without par value,
of which 19,880 are subject to
issuance.
Stock Symbol "SLS".
Dial Quotation No. 1935.
Post Section 5.6.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

SCOTT-LaSALLE LTD.

Incorporated under the Laws of the Dominion of Canada
by Letters Patent dated June 13, 1936

CAPITALIZATION AS AT OCTOBER 17, 1967

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares without par value	320,000	236,920	256, 800 *
* of which 19,880 are subject to issuance			
FUNDED DEBT			
6% S.F. Debentures Series A due May 1, 1980	\$1,000,000	\$820,000	
6% ½ Secured Debentures Series B due April 1, 1981	600,000	600,000	
7% ½ Secured Debentures Series C due September 1, 1982	600,000	600,000	

October 17, 1967

1. APPLICATION

SCOTT-LaSALLE LTD. (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 256,800 common shares without par value in the capital stock of the Company of which 236,920 have been issued and are outstanding as fully paid and non-assessable. The remaining 19,880 common shares included in this application have been reserved as follows:

For issue to holders of share purchase warrants attached to Series A debentures at the rate of 10 shares for each \$500. principal amount at the following prices:

\$14.00 per share to June 30, 1968	
\$16.00 per share thereafter to June 30, 1970	9,880
Employees stock option at \$13.50 per share expiring prior to December 31, 1968	10,000
	19,880

2. HISTORY

The Company was incorporated in 1936 by Federal charter in the name Scott Clothing Co. Ltd. The name was changed by Supplementary Letters Patent to its present style. The Company became a public company in 1962 its shares being listed on the Montreal Stock Exchange.

3.

NATURE OF BUSINESS

The Company is engaged in the manufacture of men's suits and overcoats and is also prominent in the manufacture of all types of uniforms.

In 1961 the assets and undertakings of Student Brand Clothes Inc., Peck Clothing Company Limited, and Bond Clothes Shops Limited were acquired.

LaSalle Factories Ltd., the Company's principal operating subsidiary and the forerunner in Canada of what are known as Discount Houses operates twenty stores, 18 of which are in Quebec and 2 in Ontario.

Ben Berke Ltd. is another wholly owned subsidiary operating as a made to measure men's clothing retailer at discount prices. Its operations began in 1965 and at the present time business is conducted through 10 stores, 7 in Quebec and 3 in Ontario.

The Company and subsidiaries employ 870 in the manufacturing division and 572 in retail outlets.

4.

INCORPORATION

The Company (formerly Scott Clothing Co. Ltd.) was incorporated under the laws of Canada by Letters Patent dated June 13, 1936 with an authorized capital of 60,000 6% cumulative redeemable preferred shares of \$5.00 par value and 40,000 common shares of \$5.00 par value. On November 6th, 1961 by Supplementary Letters Patent the authorized capital was increased to 100,000 preferred shares of \$5.00 par value. On April 25th, 1962 by Supplementary Letters Patent the 40,000 common shares of \$5.00 par value were converted into 320,000 common shares of no par value and the 100,000 6% preferred shares were cancelled. 93,709 preferred shares were redeemed.

5.

SHARES ISSUED DURING PAST TEN YEARS

(a) Preferred shares \$5.00 par value.

Date of Issue	No. Shares Issued	Amount Realized per Share	Total Amount Realized In Cash	Purpose of Issue
Dec. 31/58	30	\$5.00	150.00	Employee Purchase
Nov. 30/61	38,792	5.00	193,960.00	Working Capital
Apr. 25/62	All outstanding shares were redeemed.			

(b) Common shares without par value.

May 1/62	187,264	various	117,040.00	Opening balance
May 15/62	32,736	\$ 8.80	288,076.80	Expansion
/64	1,800	8.00	14,400.00	Exercise of options
	80	10.00	800.00	Exercise of warrants
	210	12.00	2,520.00	Exercise of warrants
/65	3,085	8.00	24,680.00	Exercise of options
	1,320	12.00	15,840.00	Exercise of warrants
/66	1,915	8.00	15,320.00	Exercise of options
	20	14.00	280.00	Exercise of warrants
	7,120	12.00	85,440.00	Exercise of warrants
/67	1,370	14.00	19,180.00	Exercise of warrants

6.

STOCK PROVISIONS AND VOTING POWERS

Each share carries one vote at all meetings of the shareholders.

7.

DIVIDEND RECORD

The Company (Scott Clothing Co. Ltd.) paid an annual dividend of 30 cents on its preferred stock up until 1961. In 1962, at the time of redemption, the usual 30 cents plus 10 cents were paid. Since 1962 the Company has paid:

1962 — September 1 and December 1	7½ cents
1963 — Each quarter	7½ cents
1964 — Each quarter	10 cents
1965 — Each quarter	10 cents
1966 — One quarter 10 cents plus 5 cents bonus	
Three quarters 10 cents each	
1967 — First quarter 10 cents	
Second and third quarters 15 cents each	

8.

RECORD OF PROPERTIES

The Company owns a three storey property wherein its head office, factory and a retail outlet of LaSalle Factories Ltd. are located. The buildings are modern and fully sprinklered. In addition, two private dwellings adjacent to the factory are owned.

9.

SUBSIDIARY COMPANIES

LaSalle Factories Ltd. was incorporated by Letters Patent on December 3rd, 1952. It has an authorized capital of \$100,000.00 divided into 990 6% non-cumulative redeemable preferred shares of \$100.00 each and 1,000 common shares of \$1.00 each. 136 preferred shares and 90 common shares have been issued at par, all of which are now owned by Scott-LaSalle Ltd. This Company operates a chain of discount stores with 18 in the Province of Quebec and 2 in Ontario.

Samuel M. Ogulnik Ltd. was incorporated by Letters Patent on March 26th, 1956 with an authorized capital of 500 common shares without nominal or par value. The authorized shares have been fully issued and paid at \$5.00 per share, all of which are owned by Scott-LaSalle Ltd. This Company operates as a custom tailor, its principal business however being in the supply of uniforms to railways, public utilities and industry in general.

Scott Phillips Square Corp. was incorporated by Letters Patent on October 29th, 1948 with an authorized capital of \$250,000.00 divided into 2,500 5% cumulative redeemable preferred shares of a par value of \$100.00 each and 1,000 common shares of no par value. 1,670 preferred shares have been issued at par and 1,000 common shares at \$1.00 each, all of which are owned by Scott-LaSalle Ltd. This Company was formed to operate a large, modern Bond Clothes Shop outlet in Montreal. Scott-LaSalle Ltd. originally owned 51% of the issued stock but obtained full ownership by purchasing the balance outstanding on August 28th, 1964. Operations were discontinued on January 28th, 1967 and the charter may be surrendered.

Ben Berke Ltd. was incorporated on August 15th, 1966 with an authorized capital of \$1,000.00 divided into 1,000 common shares with a par value of \$1.00 each. Three shares have been issued and fully paid, all of which are owned by Scott-LaSalle Ltd. The Company commenced operations on February 1st, 1967 offering men's made to measure garments at discount prices. Ten stores have been opened, seven of which are in the Province of Quebec, the others in Ontario.

Geo. E. Preston & Sons (1959) Ltd. was incorporated on October 9th, 1959 under the laws of Canada. It operated as a custom tailor in the City of Ottawa between October 1959 and February 1960. The charter has been dormant since then. Authorized capital was 50,000 shares of no par value of which 1,000 shares were issued at \$1.00 each and fully paid. The Company owns 69% of the issued stock. Charter will be surrendered.

Stanley and Bosworth Ltd. was incorporated on November 17th, 1948 under the laws of the Province of Ontario and was acquired by the Company in February 1957. It operated in the City of Toronto as a custom tailor and dealer in haberdashery. Authorized capital was 30,000 shares of common, without nominal or par value, all of which were issued for \$2,010.00. Operations were discontinued in 1958. It is a wholly owned subsidiary. Charter will be surrendered.

Jess Applegath Inc. was incorporated on April 10th, 1958 under the laws of the Province of Quebec. It operated in the City of Montreal as a custom tailor, as well as a dealer in men's clothing and haberdashery. Authorized capital is 100 shares of common stock without par value, all of which were issued for \$500.00. It is a wholly owned subsidiary. Operations were discontinued in 1960. The charter will be surrendered.

LaSalle Clothes (Canada) Ltd. was incorporated in July 1953 under the laws of the Province of Quebec. The authorized capital is \$10,000.00 divided into 100 common shares having a par value of \$100.00 each. 10 shares were issued and fully paid at par. It is wholly owned by Scott-LaSalle Ltd. The Company was formed to meet the requirements of the Laws of the Province of Manitoba because of a LaSalle outlet in the City of Winnipeg. The charter was never active.

10. FUNDED DEBT

The Company's funded debt consists of:

(a)

Description of Issue	Aggregate Amount Authorized	Principal Amount Outstanding	Maturity Date	Interest Dates
6% S.F. Debentures Series A	\$1,000,000	\$820,000	May 1, 1980	May 1 and November 1
6½ % Secured Debentures Series B	\$600,000	\$600,000	Apr. 1, 1981	March 15 and September 15
7½ % Secured Debentures Series C	\$600,000	\$600,000	Sept. 1, 1982	March 1 and September 1

(b)

Redemption

The series A debentures may be redeemed prior to maturity on not less than 30 days' notice (a) at the option of the Company for other than sinking fund purposes as a whole at any time or in part from time to time at a premium of 6% up to and including April 30, 1963, the premium thereafter declining .35 of 1% for each twelve months' period commenced or elapsed to and including April 30, 1979, and thereafter at the principal amount thereof; and (b) for sinking fund purposes at the principal amount thereof, in each case with accrued interest to the date fixed for redemption.

The Company by Trust Agreement will pay the Trustee as a sinking fund a sum sufficient to retire \$30,000.00 principal amount thereof on May 1 in each of the years 1963 to 1966, both inclusive, and \$60,000.00 principal amount thereof on May 1 in each of the years 1967 to 1979 both inclusive. An additional payment of \$100,000.00 on maturity date will provide for the full retirement of series A.

The series B debentures will be redeemed (a) \$40,000.00 annually commencing March 15, 1968 (b) for other than sinking fund purposes in whole or in part at a premium of 6½ % during the first year decreasing in equal annual increments to par in the final year provided that no refunding from borrowed funds with a shorter maturity or lower interest cost until the eleventh year.

The series C debentures will be redeemed by annual payments of \$40,000.00 commencing September 1, 1969 and to September 1, 1981 and the balance (a) on September 1, 1982 (b) for other than sinking fund purposes in whole or in part at a premium of 7½ % during the first year decreasing in equal annual increments to par in the final year provided however that the Company may not before September 1, 1979 make prepayment if (c) the Company is making the prepayment for the purpose of refunding the debentures by the application directly or indirectly of borrowed funds bearing an interest cost less than 7½ % per annum or repayable before September 1, 1982; (d) the Company contemplates replacing the funds applied to the prepayment of the

series C by other borrowed funds bearing an interest cost less than 7½% or repayable before September 1, 1982; and provided further that the ratio of the principal amount of series C prepaid in any year to the principal amount outstanding at the beginning of such year shall not exceed the ratio of the principal amount of debentures of all series redeemed during such year to the aggregate principal amount of debentures of all series outstanding at the beginning of such year.

(c)

Security

The series A debentures were issued under a Trust Agreement in favour of The Royal Trust Company bearing formal date of May 1, 1962 and in the opinion of counsel, were direct obligations of the Company but unsecured. Upon the creation of Series B debentures, Series A were secured to rank pari passu.

The Series B and Series C debentures are a first floating charge on all undertaking, property and assets both present and future of the Company subject to provision for securing current loans from banks.

11. OPTIONS, UNDERWRITINGS, ETC.

- (a) The Company has granted to its employees an option to purchase 10,000 shares in the capital stock of the Company at \$13.50 per share. The options were granted in September 1965 with payment to be made by weekly salary deductions over a period of 150 weeks.
- (b) There are no underwriting agreements outstanding.
- (c) There are no issued shares of the Company held for the benefit of the Company.

Other Reserved Shares

Each debenture of Series A carries Share Purchase Warrants entitling the holders of such Warrants to purchase common shares in the capital stock of the Company at the rate of 10 shares for each \$500.00 principal amount, at any time on and after October 1, 1962 up to and including June 30, 1970, at subject to adjustment as in the Trust Agreement provided, the following prices:

\$10.00 per share up to the close of business on June 30, 1964; thereafter
\$12.00 per share up to the close of business on June 30, 1966; thereafter
\$14.00 per share up to the close of business on June 30, 1968; thereafter
\$16.00 per share up to the close of business on June 30, 1970

12. LISTING ON OTHER STOCK EXCHANGES

The shares of the Company are listed on the Montreal Stock Exchange, listing having taken place in 1962.

13. FISCAL YEAR

The fiscal year end of the Company ends on January 31st, in each year.

14. ANNUAL MEETINGS

The annual meeting of the Company is held at the Head Office of the Company. The last annual meeting was held on May 25th, 1967.

15. HEAD AND OTHER OFFICES

The head office is located at 210 St. Jean Street, Longueuil, Quebec, Canada. The Company has no other offices.

16. TRANSFER AGENT

The Transfer Agent of the Company is:

The Royal Trust Company, 630 Dorchester Boulevard West, Montreal and at its offices in Halifax and Toronto.

17. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

18. REGISTRAR

The Registrar of the Company is:

The Royal Trust Company, 630 Dorchester Boulevard West, Montreal and at its offices in Halifax and Toronto.

19. AUDITORS

The Auditors of the Company are:

McDonald, Currie & Co., Chartered Accountants
630 Dorchester Boulevard West, Montreal.

20.

OFFICERS

The Officers of the Company are :

Name	Office	Home Address
George H. Scott	President	Montreal, P.Q.
Jack H. Scott	Vice-President	Westmount, P.Q.
Nathan H. Scott	Treasurer	Westmount, P.Q.
Donald B. Fickett	Secretary	St. Lambert, P.Q.

21.

DIRECTORS

The directors of the Company are:

Name	Home Address
Maurice Corbeil	491 Stuart Avenue, Outremont, P.Q.
Donald B. Fickett	287 Brixton Avenue, St. Lambert, P.Q.
Charles Gavsie, Q.C. (deceased)	3225 Cedar Avenue, Westmount, P.Q.
Elie Hazan	1210 Lucerne Road, Mount Royal, P.Q.
Ivan A. Martin	3033 Sherbrooke Street West, Westmount, P.Q.
George H. Scott	3980 Cote des Neiges Road, Montreal, P.Q.
Jack H. Scott	399 Clarke Avenue, Westmount, P.Q.
Michael Scott	3033 Sherbrooke Street West, Westmount, P.Q.
Nathan H. Scott	625 Belmont Avenue, Westmount, P.Q.
Percy H. Silverman	4695 Cote St. Catherine Road, Outremont, P.Q.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Scott-LaSalle Ltd. hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

SCOTT-LaSALLE LTD.



by "GEO. H. SCOTT",
President.

"D. FICKETT",
Secretary.

CERTIFICATE OF UNDERWRITER/OPTIONEE

To the best of my knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

ROYAL SECURITIES CORPORATION LIMITED

per: "F. B. HOYLAND",
Treasurer.

DISTRIBUTION OF COMMON STOCK AS OF 17TH OCTOBER, 1967

Number	Shares
55 Holders of 1 — 24 share lots	698
132 " " 25 — 99 " "	6,186
115 " " 100 — 199 " "	12,242
38 " " 200 — 299 " "	8,016
22 " " 300 — 399 " "	6,891
6 " " 400 — 499 " "	2,565
14 " " 500 — 999 " "	8,605
23 " " 1000 — up " "	191,717
405 Shareholders	236,920

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Scott-LaSalle Ltd. and subsidiary companies as at January 31, 1967 and the consolidated statements of earnings, retained earnings and source and use of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, retained earnings and source and use of funds, when read in conjunction with the notes thereto, present fairly the consolidated financial position of the companies as at January 31, 1967 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.,

Chartered Accountants.

FINANCIAL STATEMENTS

SCOTT-LaSALLE LTD.

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT JANUARY 31, 1967

		ASSETS	
		1967 \$	1966 \$
CURRENT ASSETS			
Cash	.....	64,503	81,361
Marketable investments — at cost (quoted value 1967 — \$35,400; 1966 — \$35,600)	.....	40,000	40,000
Accounts and notes receivable	.....	963,711	792,850
Inventories — at the lower of cost or net realizable value	.....	4,343,915	3,754,898
Prepaid expenses	.....	95,922	80,238
		<u>5,508,051</u>	<u>4,749,347</u>
OTHER ASSETS			
Cash surrender value of life insurance	.....	13,025	11,783
Rental advance on long-term lease	.....	11,500	11,500
		<u>24,525</u>	<u>23,283</u>
FIXED ASSETS			
Land, buildings and equipment — at cost	.....	1,908,487	1,583,680
Accumulated depreciation	.....	1,054,060	935,802
		<u>854,427</u>	<u>647,878</u>
LEASEHOLD IMPROVEMENTS — at cost (less amortization 1967 — \$98,536; 1966 — \$150,533)			
	.....	180,239	104,828
		<u>6,567,242</u>	<u>5,525,336</u>

SCOTT-LaSALLE LTD.
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT JANUARY 31, 1967—(Continued)

LIABILITIES

	1967	1966
	\$	\$
CURRENT LIABILITIES		
Bank advances	396,425	821,707
Accounts payable and accrued liabilities	1,103,476	883,774
Income and other taxes	446,230	240,135
Funded debt payable within one year	60,000	56,250
	<u>2,006,131</u>	<u>2,001,866</u>
FUNDED DEBT (note 1)	1,359,500	829,000
	<u>3,365,631</u>	<u>2,830,866</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized — (note 2)		
320,000 common shares without nominal or par value		
Issued and fully paid — (note 3)		
235,550 shares (1966 — 226,515 shares)	564,397	463,597
CONTRIBUTED SURPLUS (paid in by certain shareholders of the company)	100,000	100,000
RETAINED EARNINGS	2,537,214	2,130,873
	<u>3,201,611</u>	<u>2,694,470</u>
	<u>6,567,242</u>	<u>5,525,336</u>

SIGNED ON BEHALF OF THE BOARD

“G. H. SCOTT”,
Director.

“I. A. MARTIN”,
Director.

CONSOLIDATED STATEMENT OF EARNINGS
FOR THE YEAR ENDED JANUARY 31, 1967

	1967	1966
	\$	\$
SALES AND OTHER REVENUE	23,673,841	19,068,601
COSTS AND EXPENSES		
Cost of sales and operating expenses	22,179,524	17,972,976
Depreciation of fixed assets	134,020	98,808
Amortization of leasehold improvements	40,002	33,205
Directors' fees	1,500	1,000
Directors' salaries	132,200	129,849
Interest on funded debt	83,482	54,971
	<u>22,570,728</u>	<u>18,290,809</u>
OPERATING INCOME	1,103,113	777,792
OTHER INCOME		
Income from marketable investments	1,800	1,800
Consideration received on disposition of rights under a lease	15,000	
	<u>1,119,913</u>	<u>779,592</u>
PROVISION FOR INCOME TAXES	610,075	392,340
NET EARNINGS FOR THE YEAR	509,838	387,252

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED JANUARY 31, 1967

	1967	1966
	\$	\$
BALANCE — BEGINNING OF YEAR	2,130,873	1,833,035
Net earnings for the year	509,838	387,252
	<u>2,640,711</u>	<u>2,220,287</u>
Dividends paid	103,497	89,414
BALANCE — END OF YEAR	2,537,214	2,130,873

SCOTT-LaSALLE LTD.
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS
FOR THE YEAR ENDED JANUARY 31, 1967

	1967 \$	1966 \$
SOURCE OF FUNDS		
Net earnings for the year	509,838	387,252
Add: Charges not requiring cash outlay —		
Depreciation of fixed assets	134,020	98,808
Amortization of leasehold improvements	40,002	33,205
	<u>683,860</u>	<u>519,265</u>
Repayment of loan receivable		30,000
Proceeds from sale of 6½ % secured debentures	600,000	
Proceeds from issue of common shares	100,800	40,760
	<u>1,384,660</u>	<u>590,025</u>
USE OF FUNDS		
Dividends paid	103,497	89,414
Repayment of 6 % loan from Industrial Development Bank	30,000	26,250
Purchase of 6 % sinking fund debentures	39,500	34,000
Increase in cash surrender value of life insurance	1,242	1,208
Purchase of fixed assets — net	352,453	204,946
Purchase of leasehold improvements — net	103,529	38,555
	<u>630,221</u>	<u>394,373</u>
INCREASE IN WORKING CAPITAL	<u>754,439</u>	<u>195,652</u>
WORKING CAPITAL — BEGINNING OF YEAR	2,747,481	2,551,829
Increase in working capital	754,439	195,652
WORKING CAPITAL — END OF YEAR	<u>3,501,920</u>	<u>2,747,481</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 1967

1. FUNDED DEBT

(a) Funded debt includes the following:

	1967 \$	1966 \$
6 % sinking fund debentures, Series A, due May 1, 1980	880,000	910,000
Sinking fund requirements —		
\$60,000 in each of the years 1967-79 and \$100,000 on May 1, 1980		
Debentures purchased and held for redemption	60,500	51,000
	<u>819,500</u>	<u>859,000</u>
6½ % secured debentures, Series B, repayable by annual instalments of \$40,000 each commencing March 15, 1968 and the balance on April 1, 1981	600,000	
6 % loan Industrial Development Bank		26,250
	<u>1,419,500</u>	<u>885,250</u>
Instalments included with current liabilities	60,000	56,250
	<u>1,359,500</u>	<u>829,000</u>

2. RESERVATIONS OF CAPITAL STOCK

(a) The Series A debentures have attached thereto share purchase warrants entitling the holders thereof to subscribe for common shares of the company at the rate of 10 shares for each \$500 principal amount of debentures at the following prices:

 \$14 per share to June 30, 1968

 \$16 per share thereafter to June 30, 1970

Of the authorized capital 11,250 unissued common shares are reserved for this purpose.

(b) Options have been granted for an indefinite period to certain employees of the company and its subsidiaries, under an employees' stock purchase plan, to purchase up to 10,000 shares at varying prices to be not less than \$13.50 per share.

3. COMMON SHARES ISSUED

During the year 9,035 shares were issued for \$100,800 cash.

SCOTT-LASALLE LTD.
AND SUBSIDIARY COMPANIES

COMPARATIVE CONSOLIDATED STATEMENT OF EARNINGS

FOR THE FIVE YEARS ENDED JANUARY 31, 1967

	December 31, 1962	January 31, 1964	January 31, 1965	January 31, 1966	January 31, 1967
	\$	\$ (note)	\$	\$	\$
SALES AND OTHER REVENUE	12,605,263	15,375,445	17,090,870	19,068,601	23,673,841
COSTS AND EXPENSES					
Cost of sales and operating expenses	11,985,161	14,532,278	16,141,938	17,972,976	22,179,524
Depreciation of fixed assets	67,255	80,243	85,046	98,808	134,020
Amortization of leasehold improvements	14,423	9,782	18,600	33,205	40,002
Directors' fees		1,000	1,000	1,000	1,500
Directors' salaries	147,632	142,808	130,744	129,849	132,200
Interest on funded debt	46,231	70,792	59,811	54,971	83,482
	12,260,702	14,836,903	16,437,139	18,290,809	22,570,728
OPERATING INCOME	344,561	538,542	653,731	777,792	1,103,113
OTHER INCOME					
Income from marketable investments	1,800	1,875	1,875	1,800	1,800
Consideration received on disposition of rights under a lease					15,000
PROVISION FOR INCOME TAXES	346,361	540,417	655,606	779,592	1,119,913
	149,800	267,350	339,430	392,340	610,075
NET EARNINGS FOR THE YEAR	196,561	273,067	316,176	387,252	509,838

NOTE:

Thirteen month period ended January 31, 1964.

SCOTT-LaSALLE LTD.
AND WHOLLY OWNED SUBSIDIARY COMPANIES

INTERIM CONSOLIDATED BALANCE SHEET AS AT OCTOBER 31, 1967

ASSETS							\$	\$
CURRENT ASSETS								
Cash on hand and in bank	....	....	....	....	....	....	239,707	
Marketable securities	....	....	....	....	....	....	40,000	
Short term loans	....	....	....	....	....	....	700,000	
Accounts and notes receivable	....	....	....	....	....	....	1,227,110	
Prepaid expenses	....	....	....	....	....	....	97,433	
Inventory	....	....	....	....	....	....	4,716,158	7,020,408
OTHER ASSETS								
C. S. value — life insurance	....	....	....	....	....	....	13,025	
Rental advance — long lease	....	....	....	....	....	....	11,500	24,525
FIXED ASSETS								
Land	....	....	....	....	....	....	15,102	
Buildings	....	....	....	....	....	....	682,834	
Machinery and equipment	....	....	....	....	....	....	1,307,797	
Accumulated depreciation	....	....	....	....	....	....	1,076,703	929,030
LEASEHOLD IMPROVEMENTS								
Cost	....	....	....	....	....	....	475,943	
Amortization	....	....	....	....	....	....	132,197	343,746
								<u>8,317,709</u>
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	....	....	....	....	....	....	1,607,795	
Accrued liabilities	....	....	....	....	....	....	257,701	
Sales taxes	....	....	....	....	....	....	207,620	
Reserve for income taxes	....	....	....	....	....	....	335,301	
Reserve for vacation pay and bonuses	....	....	....	....	....	....	102,054	
Refundable deposits	....	....	....	....	....	....	27,885	
Loans by directors	....	....	....	....	....	....	18,147	
Loans — others	....	....	....	....	....	....	143,524	2,700,027
FUNDED DEBT								
Series A	....	....	....	....	....	....	820,000	
Less: Held for redemption	....	....	....	....	....	....	68,500	
							751,500	
Series B	....	....	....	....	....	....	600,000	
Series C	....	....	....	....	....	....	600,000	1,951,500
SHAREHOLDERS' EQUITY								
Capital stock								
Issued and fully paid 236,920 shares	....	....	....	....	....	....	583,577	
CONTRIBUTED SURPLUS	....	....	....	....	....	....	100,000	
RETAINED EARNINGS	....	....	....	....	....	....	2,982,605	3,666,182
								<u>8,317,709</u>

Certified true:

"GEO. H. SCOTT",
President.

"D. FICKETT",
Secretary.

SCOTT-LaSALLE LTD.
CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS
FOR THE NINE MONTHS ENDED OCTOBER 31, 1967

SOURCE OF FUNDS

Net earnings for the 9 months	....	....	....	....	....	....	....	....	....	\$	539,616
Add: Charges not requiring cash outlays											
Depreciation	....	....	....	....	....	....	....	....	....		82,545
Amortization	....	....	....	....	....	....	....	....	....		42,934
											<u>665,095</u>
Proceeds from Series C	....	....	....	....	....	....	....	....	....		600,000
Proceeds from issue of common shares (warrants)	....	....	....	....	....	....	....	....	....		19,180
											<u>1,284,275</u>

USE OF FUNDS

Dividends Paid	....	....	....	....	....	....	....	....	....		94,225
Purchase of Series A Debentures	....	....	....	....	....	....	....	....	....		8,000
Purchase of Fixed Assets	....	....	....	....	....	....	....	....	....		157,148
Purchase of Leasehold Improvements											206,441
											<u>465,814</u>

INCREASE IN WORKING CAPITAL											<u>818,461</u>
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WORKING CAPITAL — FEBRUARY 1, 1967											3,501,920
Increase in Working Capital											<u>818,461</u>
WORKING CAPITAL — OCTOBER 31, 1967	....	....	....	....	....	....	....	....	....		<u>4,320,381</u>

